

IRS Updates & News Releases:

IRS Increases Mileage Rates through Dec. 31, 2008

<http://www.irs.gov/newsroom/article/0,,id=184163,00.html>

The Internal Revenue Service has announced an increase in the optional standard mileage rates for the final six months of 2008. Taxpayers may use the optional standard rates to calculate the deductible costs of operating an automobile for business, charitable, medical or moving purposes.

The rate will increase to 58.5 cents a mile for all business miles driven from July 1, 2008, through Dec. 31, 2008. This is an increase of eight (8) cents from the 50.5 cent rate in effect for the first six months of 2008, as set forth in [Rev. Proc. 2007-70](#). In recognition of recent gasoline price increases, the IRS made this special adjustment for the final months of 2008. The IRS normally updates the mileage rates once a year in the fall for the next calendar year.

While gasoline is a significant factor in the mileage figure, other items enter into the calculation of mileage rates, such as depreciation and insurance and other fixed and variable costs. The optional business standard mileage rate is used to compute the deductible costs of operating an automobile for business use in lieu of tracking actual costs. This rate is also used as a benchmark by the federal government and many businesses to reimburse their employees for mileage.

The new six-month rate for computing deductible medical or moving expenses will also increase by eight (8) cents to 27 cents a mile, up from 19 cents for the first six months of 2008. The rate for providing services for charitable organizations is set by statute, not the IRS, and remains at 14 cents a mile. The new rates are contained in [Announcement 2008-63](#) on the optional standard mileage rates. Taxpayers always have the option of calculating the actual costs of using their vehicle rather than using the standard mileage rates.

Economic Stimulus Payment FAQs: Business

<http://www.irs.gov/newsroom/article/0,,id=182005,00.html>

This link has answers to some of the most commonly asked questions regarding the economic stimulus incentives for businesses. Scroll down the list for business-related questions and answers, including an example of how the increased 179 deduction, increased 50% depreciation deduction and the regular depreciation deduction could be used in conjunction with each other.

Filing Extensions Changing for Some Business Taxpayers Later this Year

<http://www.irs.gov/newsroom/article/0,,id=184347,00.html>

Internal Revenue Service officials announced a change in the extended due date on certain business returns to help individuals better meet their filing obligations. The change, which reduces the extension period from six to five months, eases the burden on taxpayers who must report information from Schedules K-1 and similar documents on their individual tax returns.

Currently, the extended due date for both businesses and individuals often falls on the same date, generally Oct. 15. This creates a burden for individual taxpayers who rely on the information from Schedule K-1 and other similar statements to prepare and file their personal tax returns in a timely manner.

This change will be effective for extension requests with respect to tax returns due on or after Jan. 1, 2009.

National Taxpayer Advocate Releases Report to Congress; Identifies Priority Challenges and Issues for Upcoming Year

<http://www.irs.gov/newsroom/article/0,,id=184555,00.html>

National Taxpayer Advocate Nina E. Olson today delivered a report to Congress that identifies the priority issues the Office of the Taxpayer Advocate will address in the coming fiscal year. Among the key areas of focus will be improving IRS procedures to protect victims of tax-related identity theft and expanding outreach and education to individuals who have lost their homes to foreclosure concerning the "cancellation of debt" tax consequences they face.

The Advocate's report, which is required by law, sets out the objectives of the Office of the Taxpayer Advocate for the upcoming fiscal year and provides substantive analysis of issues as well as statistical information.

Scammers Use e-Mail, Fax to Pose as IRS

<http://www.irs.gov/newsroom/article/0,,id=184628,00.html>

The Internal Revenue Service cautions taxpayers to be on the lookout for a new wave of scams using the IRS name in identity theft e-mails, or phishing, that have circulated during the last two months. In May and June alone, taxpayers reported almost 700 separate phishing incidents to the IRS. In 2008 so far, taxpayers have reported about 1,600 phishing incidents to the IRS.

The most common scams involve tax refunds and, this year, economic stimulus payments. Although most of these scams consist of e-mails requesting detailed personal information, the IRS generally does not send e-mails to taxpayers, does not discuss tax account matters with taxpayers in e-mails, and does not request security-related personal information, such as PIN numbers, from taxpayers.

Recent Articles from e-News for Small Businesses

SBA introduces new online courses for small business owners

The Small Business Administration's [Small Business Training Network](#) has introduced two new free online finance courses to help small business owners with the basic principles of finance and borrowing:

- Finance Primer: Guide to SBA's [Loan Guaranty Programs](#)
- How to Prepare a [Loan Package](#)

Retirement News and Employee Plans News

Read the spring issue of [Retirement News for Employers](#) and the summer edition of [Employee Plans News](#).

New tax benefits for businesses on SBTV

IRS segment on [SBTV](#) explains how small business owners can hire their teenage sons or daughters for summer work and the importance of keeping good records.

Related links:

- [Family Help](#)
- [Recordkeeping](#)
- [FS-2008-21](#), Business Provisions of the Economic Stimulus Act of 2008
- [IR-2008-58](#), IRS to Issue Guidance on Special 50-Percent Depreciation Allowance
- [IR-2008-22](#), 2008 Economic Stimulus Act Provides Tax Benefits to Businesses

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